



ARIZONA DEPARTMENT OF ECONOMIC SECURITY

1789 W. Jefferson • P.O. Box 6123 • Phoenix, AZ 85005

Janet Napolitano
Governor

William Bell
Acting Director

May 8, 2003

WIA GUIDANCE LETTER #05-03

REFERENCE: P.L. 105-220, §101(9), 133(a)(2), 134(a)(2)(a)(i) and (ii) of the Workforce Investment Act dated August 7, 1998; 20 CFR Part 652 et al., Subpart C §665.300, 665.310, 665.320 and 665.340 WIA Final Rule dated August 11, 2000; Workforce Information Memo #14-00 dated July 21, 2000; Workforce Information Memo #7-01 dated July 6, 2001; WIA Guidance Letter #13-02 dated September 23, 2002

SUBJECT: Revised Formula Allocations and Rapid Response Reserves for the Dislocated Worker Funding Stream – PY 2003

The Workforce Investment Act (WIA) authorizes the state to reserve up to 25% of Dislocated Worker (DW) formula funds for rapid response activities. These activities encompass those necessary to plan and deliver early intervention services to Dislocated Workers to minimize the duration of unemployment following layoffs. ***Beginning July 1, 2003 (Program Year 2003), the state will reserve ten percent (10%) of the Dislocated Worker allocation for statewide rapid response activities***, rather than twenty-five percent (25%) of the allocation which was held in reserve during the previous program years. The Workforce Development Administration (WDA) has assessed previous funding levels in relation to appropriate delivery of statewide Rapid Response services. Although the extent of worker dislocations each program year cannot be entirely predicted, indications thus far support the state's intention to reduce the rapid response reserve to 10%. To offset the reduction in Rapid Response reserves, ***the state will increase its Dislocated Worker formula allocation to Local Workforce Investment Areas (LWIAs) from sixty percent (60%) to seventy-five percent (75%) for PY 2003.*** We fully anticipate that these additional funds will enhance the provision of direct services (i.e. intensive training, and related supportive services) to Dislocated Workers throughout the state.

Approval of the formulas used as the basis for PY 03 funding for all funding streams, including Dislocated Workers, will be addressed at the June 3rd meeting of the Governor's Council on Workforce Policy (GCWP). Following the Council's approval, WDA will provide specific instructions to each LWIA for amending their contracts.

ACTION REQUIRED: Please distribute this memo to all local area staff responsible for fiscal and/or contractual management.

If you have questions, please contact Mr. Dean Grana, Fiscal Manager at (602) 542-3957.

Sincerely,

A handwritten signature in black ink, appearing to read 'DRE', is positioned above the typed name.

David R. Ellis
Program Administrator (Interim)
Workforce Development Administration

DRE:kds